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PROGRAM PLAN

1 January 1955 - 30 June 1955

Private Insurance Programs

1. Inasmuch as the program plans of the Insurance and Claims Branch in connection with the various private insurance plans are primarily concerned with internal administration of the programs as a whole, they will be discussed together in this section. During the reporting period, an audit of Insurance and Claims Branch accounts and functions, in the administration of private insurance programs, was conducted by the Office of the Auditor-in-Chief. In discussions with the auditors it was learned that certain recommendations pertaining to the insurance functions of the Branch will be contained in their Audit Report. Some points were discussed with the the auditors and agreement reached with respect to certain minor administrative and accounting techniques to be implemented. To this end, the Insurance and Claims Branch has already installed these techniques.

2. Certain other recommendations which will be contained in the Audit Report will require approval of the Assistant Director for Personnel. It was felt by the auditors and the Deputy Branch Chief that certain major adjustments should be made in the conduct of the functions of the Insurance Section of this Branch. It was felt that a general streamlining of internal insurance procedures should be effected. During the recent "drive" period, it became clear that the procedures previously established and currently followed in the Insurance and Claims Branch are now far from adequate for the handling of the present volume of business. It became clear that while manual posting and accounting procedures were sufficient for our purposes in the past, some type of machine installation should be made in order to conduct a more efficient and business-like internal program. It is believed that the Audit Report will recommend that a study be made to determine the feasibility of utilization of accounting machines and more streamlined accounting procedures. The Deputy Chief, Insurance and Claims Branch definitely supports such a recommendation.

3. It has become clear that, while the utilization of additional and temporary personnel has provided a measure of relief, the basic problem is one of internal procedure and operation. From the statistical data contained in the progress report of which this program is

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a part, it is clear that this Branch is now administering an operation comparable to that of a large private insurance office and in some respects even larger in view of the diversity of the various insurance contracts administered. Inasmuch as the Agency has entered into this program, it is believed that we are obligated to our employees, as well as to the Agency, to administer this program in the most efficient and economical manner possible. Moreover, it is believed that the installation of accounting machines and new accounting and business techniques will do much to satisfy this aim. While the opinions expressed above are basically those of the Deputy Branch Chief, currently acting in the capacity of Branch Chief, the matter has been discussed both with the Branch Chief and the Chief, Employee Services Division. Both of these individuals are in agreement with the basic statements set forth above. In furtherance of the above and if approved by the Assistant Director for Personnel upon receipt of the Audit Report, this Branch will work with the appropriate office or offices in conducting the necessary studies and accomplishing such re-organization as is both desirable and feasible.

Retirement Activity

The Insurance and Claims Branch does not plan any material change in its retirement program for the next six months. A comparison of retirement activity for this reporting period with the previous period indicates that our retirement activity has remained more or less stable over the past 12 months. It is believed that the only increase in work of a retirement nature by this Branch will be in the form of handling more cases of applications for direct refund of retirement withholdings in disability and death cases of covert employees. This aspect of the Branch's retirement activity was discussed in some detail in this progress report.

Federal Employees' Group Life Insurance

1. Inasmuch as the FEGLI program has now been installed in CIA, it is believed that the principal activity of this Branch within the next six months will be that of refining procedures, installing techniques where necessary, reviewing Federal Personnel Manual Chapter on this subject, and working with the Plans and Analysis Staff in preparing Agency Regulations and Office of Personnel Memoranda establishing on a formal basis the Agency and Office of Personnel responsibilities in the carrying out of this new program.

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2. In this connection, it should be mentioned here that the Insurance and Claims Branch anticipates the inauguration of the Federal Employees' Health Insurance program within the next six months. It is believed that legislation enacting this program on a Government wide basis will be forthcoming from the present session of Congress. The extent of Insurance and Claims Branch involvement in this program is not known at this time. It is assumed, however, that this Branch will be given the responsibility for administering this program within the Agency. At the present time, it is impossible to anticipate the amount of work that will be involved in administering this program since the Congress has not finally determined its exact form. There is considerable discussion that upon the approval of this plan, Health Insurance programs which are now in effect in Government Agencies will be "blanketed in" to the Federal program and payroll deductions for premiums will be authorized by the new legislation. If this is the case, Insurance and Claims Branch adjustments to handling this program will be almost negligible other than an initial conversion from a private plan to a Government sponsored or Government participation plan. However, if other provisions are introduced into the legislation establishing an entirely new health program similar to that administered for the Government life insurance program considerable work will be involved.

Missing In Action Cases

1. While the experience of the Branch in the handling of the two unusual cases discussed in the progress report section has been extremely time consuming, it has, at the same time, been quite worthwhile for in handling these two cases, we have handled a "pilot project" to be used in the future if necessary. In addition, the Branch has not overlooked its desire, mentioned in the program plans of the previous report, to establish somewhat of an emergency plan for the handling of MIA cases in the event of catastrophe or national emergency in the future. Intangible progress in this direction has also been derived from the handling of the two unique MIA cases already discussed.

2. It appears, as the result of experience gained during the reporting period and the Branch participation in a number of conferences with DD/P and other office personnel in revising the proposed regulation for the handling of cases of "Missing Persons," that this Office will become the focal point for handling more of these cases than have been brought to our attention in the past.

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As a result of discussions on the MIA regulation, it was agreed that the Office of Personnel would be advised of all cases of personnel who would appear to be in a "missing" status even though the benefits of the Missing Persons Act do not apply in the individual case. In this connection, and in connection with Branch handling of disability and death cases in general, the Branch has had experiences with the Casualty Branches of the Military components and particularly with the Casualty Branch of the Air Force. We are studying the role played by a Casualty Branch in the Military service in order that this type of responsibility will be effectively carried out in this Agency.

Compensation and Medical Claims

1. In the program plan of the previous report it was indicated that with the publication of Agency Regulation R [REDACTED] a significant increase in the compensation and medical claims activity was anticipated. Inasmuch as this regulation still has not been published, the anticipated increase has not occurred. However, since the Office of Personnel has been successful in recent months in securing copies of cable traffic carried on by the Agency a great amount of time has been spent by the Claims Section of the Branch in reviewing all cable traffic. It is felt that in the absence of a regulation covering the 5(a)(5)(C) medical program, a review of cable traffic is the only means by which the Office of Personnel can call to the attention of Agency employees this important overseas benefit. In addition, many BEC cases which would not otherwise have been reported to the Office of Personnel by the Division concerned are picked up in this manner. A review of all cable traffic involving the illness, injury, or death of Agency personnel naturally results in the expenditure of many man-hours of work which are not reflected in the statistics of the Claims activity of the Branch, for many of these cases do not result in actual claims.

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2. As stated in previous reports, the Branch anticipates, with the publication of Agency Regulation [REDACTED] that the number of claims that will be processed under the provisions of Section 5(a)(5)(C) of Public Law 110 will probably double and possibly triple during the succeeding reporting periods.

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3. In connection with the publication of Agency Regulation [REDACTED] and other pertinent regulations such as the Regulation on Missing Persons, it is believed that it may be desirable for a representative of the Insurance and Claims Branch to travel overseas

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to the various field installations and fully explain these various programs to responsible field officials. As stated above, there will undoubtedly be a sizable increase in the 5(a)(5)(C) claims activity and the program should be fully understood by field officials when it is publicized by regulation.

4. Several occurrences during the reporting period will effect the program plan for the compensation and medical claims activity for the next six months. Specifically, the acquisition of a new technician within the very near future will greatly improve and facilitate Branch handling of these claims. The acquisition of this individual, we trust, will also ease the work pressure on Mr. [REDACTED] the Deputy Branch Chief, and in turn the Branch Chief during future months. It will allow Mr. [REDACTED] to assume more of a supervisory role in the claim and casualty phases of the Branch's functions. It will allow the Deputy Branch Chief to assume greater responsibility for over-all operation of the Branch, while at the same time relieving the pressure previously placed on the Branch Chief in carrying out the over-all responsibilities of the Insurance and Claims Branch. In addition, it will allow some time for internal study and improvement of present procedures and implementation of new procedures where they are necessary.

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5. During the reporting period, a claims group was organized with members, in addition to those from the Office of Personnel, from the Security Office, the Office of the General Counsel and the Medical Office. The first meeting of this group is scheduled early in January. Although its usefulness cannot be fully anticipated at this time, it is believed that if this group can function in the manner for which it was established it will substantially decrease the processing time involved in the various claims handled within the Insurance and Claims Branch, and will allow the representatives of the offices concerned to carry out their functions with a minimum of individual work.

General Outlook

The general outlook of the Insurance and Claims Branch for the next six months is good. During the reporting period, we have gone through an unusual period of large work load and extreme work pressure. It is felt that while the Branch has not carried out its responsibilities to the fullest extent in the manner which it would most desire, it is equally felt that we have handled the work most

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importantly in an accurate fashion, in a fashion to create employee good-will wherever possible, and as efficiently as possible under the circumstances. Believing that we have gone through a period of tremendous growth, it is with a degree of satisfaction coupled with some concern and extreme enthusiasm that we look forward to a period wherein we can gather ourselves together and look ourselves over, with a view to carrying out our programs in the most efficient manner possible.

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